

Congresswoman Louise Slaughter (NY-28) touted the passage of a critical package of credit expansion and tax relief measures for small businesses to sustain the fragile economic recovery underway.

The Small Business Jobs Tax Relief Act and the Small Business Lending Fund Act passed today in the House. Together they offer a lifeline to small businesses struggling to expand and hire workers without access to credit.

“As President Obama said when he came to Western New York last month, it is our community’s small businesses that will pull us out of this recession,” said Slaughter. “This important lifeline will boost their chances, and those of the middle and working class families that own and operate them, in these tough economic times.”

Obama noted that this Congress has enacted seven tax cuts for America’s small businesses, as well as the Making Work Pay tax credit that goes to the vast majority of small business owners.

“As the engine of our economy, it is vital that we do everything within our capacity to encourage the entrepreneurial spirit that keeps our small businesses growing,” said Slaughter. “This spirit has been stifled during the economic downturn as small businesses are denied the credit they need to innovate and grow. As we start to see the signs of recovery, it is important that we supply our small businesses with the tools they need to grow, thrive, and ultimately create jobs for our communities.”

During the recession, banks have drastically cut back on lending. This has put small businesses in an increasingly tenuous position, making it difficult for them to get new loans to keep their businesses operating. The Small Business Lending Fund Act combats this constricted credit market by:

- Authorizing \$30 billion to establish within the Treasury a temporary Small Business Lending Fund (SBLF) for small and medium sized community;
- Providing \$2 billion in funding for new or existing state lending programs using small amounts of public dollars to generate substantial private bank financing;
- And helping promising small business start ups through a public/private partnership designed to channel investment capital to them.

The Small Business Jobs Tax Relief Act closes loopholes that disproportionately affect small businesses and provides important tax relief. Through a 100% exclusion from tax of capital gains on small business stock, the legislation provides \$2 billion in assistance to small businesses.

The Small Business Jobs and Credit Act is supported by the National Small Business Association, Small Business Majority, the Conference of State Bank Supervisors, Independent Community Bankers of America, American Bankers Association, and National Bankers Association.